



FEATURE STORY

UNIPAC ties e-commerce to student loan rewards

Taking advantage of the community of interest formed by the student borrowers, lenders and schools that it serves, UNIPAC has opened @theU.com. This makes UNIPAC the first student lending entity to link e-commerce transactions with student loan activity by offering credits for online purchases that can be used to reduce students' loan obligations.

A free membership-driven service, @theU provides numerous online services for current and prospective borrowers, including a scholarship database, financial aid information, a travel service and a nationwide concert calendar, as well as searchable campus news with current events and human interest stories from campuses around the country. Available in all 50 states, @theU allows students to apply for all FFEL loans and UNIPAC's private loan products.

"Approval can be obtained immediately," says Brooke Hartman, director of business development with UNIPAC. "All we need is a signature." Four-year and two-year institutions can use @theU to process online loan applications and master promissory notes for students who visit their financial aid offices. To make that possible, UNIPAC's school marketing group has been visiting school customers and simply adding a Windows icon to student loan office computer desktops.

The most significant feature of the new site, however, involves a virtual shopping mall that students can personalize. Master Card and Visa purchases of merchandise offered at the mall earn students credits called UniBucks, cash equivalents that translate into reductions of their student loan payments.

"It's like a cash-back system," explains Hartman. Merchants such as Eddie Bauer, Barnes & Noble and Siberian Outpost are supporting the volume-driven program, he said, offering five percent credits on average for online purchases of a variety of merchandise, including apparel, sportswear, books,

music, electronics, computer hardware and software. The credits, which have no time or dollar limits, can be applied to current loans or saved up for future loans. "Some of our employees are making purchases and squirreling the UniBucks away for their kids' education," Hartman adds.

"This project started when we were trying to find some way to reward our customers," he explains. "That's how we proposed it: Give it back to the students. No percentage of the profits on the merchandise comes to UNIPAC. Of course, we hope to increase our line of business, and we're looking for sponsors, some big partners to take us to the next step. Some interesting things are in the works."

Besides its own employees, UNIPAC has targeted its existing customer database with @theU, but those approximately two million student borrowers and the schools they attend are just the beginning. December will see ad campaigns and promotions inviting high-school seniors and other prospective borrowers to come on board @theU. Around the same time, scholarships funded by UNIPAC's bank partners will be offered as well, Hartman says.

"In some cases, @theU is supporting the marketing of loan products from our existing client banks," Hartman goes on to say. "Some of them haven't been pushing student loans on the web, perhaps doing auto loans instead. We're giving them the vehicle and asking them to just give their blessing. Most have."

Individual merchants will provide customer service concerning all purchases. UNIPAC is outsourcing the credit card processing portion of the merchandising effort to inktomi.com, of Berkeley, CA. Students with system-related or financial aid questions can use the online FAQ page, or connect with UNIPAC's two fully staffed help desks in Denver and St. Paul. The web address is www.@theU.com; more at www.unipac.com. ■

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